DAY PITNEY LLP

BOSTON CONNECTICUT FLORIDA NEW JERSEY NEW YORK WASHINGTON, DC

SAM S.F. CALIGIURI
Attorney at Law

242 Trumbull Street
Hartford, CT 06103-1212
T: (860) 275-0396 F: (860) 881-2526
sscaligiuri@daypitney.com

April 6, 2016

VIA HAND DELIVERY

Kathryn Belfi
Director of Financial Regulation
Connecticut Insurance Department
153 Market Street
PO Box 816
Hartford, CT 06142-0816

Re: Docket # EX 15-150 – Proposed Acquisition of Control of PHL Variable Insurance Company, Phoenix Life and Annuity Company, and American Phoenix Life and Reassurance Company by, Davero Merger Sub Corp., Nassau Reinsurance Group Holdings, L.P., Nassau Reinsurance Group Holdings GP, LLC, Nassau Holdings, L.P., GGCOF Executive Co-Invest Holdings Ltd. (f/k/a Nassau Holdings, GP Ltd.), Golden Gate Private Equity, Inc., and David C. Dominik (the "Applicants")

Dear Ms. Belfi:

I am writing on behalf of the Applicants. We are in receipt of your letter of March 24, 2016 regarding the Amended and Restated Form A Statement with respect to the proposed acquisition of control (the "Proposed Acquisition") of PHL Variable Insurance Company, Phoenix Life and Annuity Company, and American Phoenix Life and Reassurance Company (collectively, the "Domestic Insurers") by the Applicants, dated March 15, 2016 (the "Application"). We appreciate the time and attention you have given to the application. Our responses to the bulleted questions asked in the letter are below. For your convenience, we have reproduced your questions in italics, followed by our responses.

Item 2. IDENTITY AND BACKGROUND OF THE APPLICANTS

- *Provide a description of the following new entities contained on the post organizational chart: NSRE Holdings, Inc., Nassau UK Ltd., Nassau Cayman, Ltd., Nassau Re (Cayman) Ltd., Nassau Reinsurance LLC, and Nassau Asset Management LLC.*

NSRE Holdings, Inc. is a Delaware corporation and a wholly owned subsidiary of Nassau Reinsurance Group Holdings, L.P. Following the completion of certain potential acquisitions, NSRE Holdings, Inc. will be the parent of the Nassau group's onshore reinsurance platform. NSRE Holdings, Inc. conducts no other business.

Nassau UK Ltd. is a United Kingdom exempted company and a wholly owned subsidiary of Nassau Holdings, L.P. Nassau UK Ltd. will be a holding company for the Nassau group's non-U.S. operating companies.

Nassau Cayman, Ltd. is a Cayman Islands exempted company and the intermediate holding company of Nassau Re (Cayman) Ltd. (described immediately below).

Nassau Re (Cayman) Ltd. is a Cayman Islands exempted company and the anticipated reinsurer of 50% of PHL Variable Insurance Company's risks under certain fixed indexed annuities in force prior to or as of April 1, 2016 or issued following April 1, 2016 pursuant to a modified coinsurance agreement that is expected to be entered into in connection with the closing of the Proposed Acquisition, subject to the approval thereof by the Connecticut Insurance Department. It is expected that Nassau Re (Cayman) Ltd. will be the Nassau group's non-U.S. reinsurance company.

Nassau Reinsurance LLC is a Delaware limited liability company and Nassau's U.S. management entity which provides management services to the Nassau group's U.S. entities.

Nassau Asset Management LLC is a Delaware limited liability company and is the anticipated asset manager of assets of the Nassau group's affiliates.

Item 12. FINANCIAL STATEMENTS AND EXHIBITS

- *Item 12(b) states "Attached as part of Exhibit 6 are unaudited financial statements of these entities following the closing of the Proposed Acquisition for the year ended December 31, 2015 and an attestation statement from an authorized officer of such Applicants for such unaudited financial statements". Please acknowledge that these statements are as of year ended December 31, 2015 and not following the closing of the Proposed Acquisition as stated.*

The Applicants acknowledge the unaudited financial statements referenced are as of the year ended December 31, 2015 and are not following the closing of the Proposed Acquisition.

Item 14. OTHER INFORMATION

- *Item 14(c) states "audited financial statements of Phoenix for the years ended December 31, 2013 through December 31, 2015". Please acknowledge that the financial statements of Phoenix are filed for the years ended December 31, 2012 through December 31, 2014 consistent with the Exhibit list in Item 12.*

The Applicants acknowledge the audited financial statements of Phoenix referenced are for the years ended December 31, 2012 through December 31, 2014.

- *Please update Exhibit 9 – Plan of Operations For The Phoenix Companies and Five-Year Pro Forma Financial Projections of the PNX CT Entities to reflect the following:*
    - *Exhibit 9: Plan of Operations For The Phoenix Companies, Inc. paragraph 2 needs to be updated to include all applicants.*

Please see the amended Plan of Operations of the Domestic Insurers attached hereto as Exhibit A reflecting the requested changes.

- *Exhibit B, Five-Year Pro Forma Financial Projections of the PNX CT Entities:*
    - *Assumption and Five-Year Pro Forma Financial Projections need to be revised to include actual 2015 results and the removal of dividends for American Phoenix Life and Reassurance Company and Phoenix Life and Annuity Company.*
- *PHL Variable Insurance Company Pro Forma Profit & Loss Statement:*
    - *Modify the level of separate account assets and reserves to mirror the direct amounts that will appear in the green blank and instead explicitly disclose the amount of mod-co reserves related to the FIA treaty in a footnote on the liability page.*
    - *The components of the 2015 ending capital and surplus are not accurate. Gross Paid In and Contributed Surplus should be 875.0 and Unassigned Surplus should be (713.0).*
    - *The components of the 2015 decrease in surplus from 198.6 to 194.5 are not accurate. Capital increases should be 33.1 and other decreases should be (23.2).*

- *The components of the 2016 decrease in surplus from 194.5 to 168.5 are not accurate. The (2) Capital Increase should be moved to the Other Decrease line.*

o *PHL Variable Insurance Company Pro Forma Cash Flow Statement:*

- *The projected capital infusions in years 2017 and 2018 are displayed as negative dividends to stockholders rather than as capital increases. Please move to the appropriate section – Capital Increases.*

Please see the amended Five Year Pro Forma Financial Projections of the Domestic Insurers included in the amended Plan of Operations of the Domestic Insurers attached hereto as Exhibit A reflecting the requested changes. Please note that the components of the 2015 ending capital and surplus have not been changed because the Pro Forma Financial Projections present the actual amounts for December 2015 which reflect an adjustment made in the first quarter of 2015.

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Thank you for your continued review. Please let me know if you have any additional questions.

Yours very truly,

Sam S.F. Caligiuri

SSFC/ejk
Enclosures

cc: Michael D. Devins, Esq.
Debevoise & Plimpton LLP

Kostas Cheliotis, Esq.
Nassau Reinsurance Group

Stephen D. Oetgen, Esq.
Golden Gate Private Equity Inc.

Exhibit A

Plan of Operations of the Domestic Insurers

[See attached]

Plan Of Operations For
The Phoenix Companies, Inc.

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1. General Description of Business; Background and History

The Phoenix Companies, Inc. (the "Company") is a holding company incorporated in Delaware with operating subsidiaries providing life insurance and annuity products through independent producers. The Company's principal insurance company subsidiaries are Phoenix Life Insurance Company ("PLIC"), domiciled in New York, and PHL Variable Insurance Company ("PHLVIC"), domiciled in Connecticut. The Company also owns two other Connecticut domiciled insurance company subsidiaries: Phoenix Life and Annuity Company and American Phoenix Life and Reassurance Company (together with PHLVIC, the "PNX CT Entities").

The following entities are the applicants acquiring control of the PNX CT Entities: Davero Merger Sub Corp. ("Merger Sub"), Nassau Reinsurance Group Holdings, L.P. ("Nassau Re Holdco LP"), Nassau Reinsurance Group Holdings GP, LLC, Nassau Holdings, L.P., ~~and~~ GGCOF Executive Co-Invest Holdings Ltd. (f/k/a Nassau Holdings, GP Ltd.), Golden Gate Private Equity, Inc., and David C. Dominik (collectively, along with their respective affiliates, "Nassau" or "We"). Nassau Re Holdco LP is intended to be the principal holding company for all of Nassau's U.S. insurance businesses, including the Company and the PNX CT Entities. Nassau was launched in April 2015 and is an insurance and reinsurance business focused on acquiring and operating U.S. and foreign insurance companies with long tail liabilities in the life, annuity and long term care sectors.

On September 28, 2015, Nassau Re Holdco LP, Merger Sub and the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which, subject to satisfaction of all closing conditions (including approval by the Connecticut Insurance Commissioner of the Form A Statement Regarding the Acquisition of Control of the PNX CT Entities), Merger Sub will be merged with and into the Company, with the Company continuing as the surviving corporation (the "Transaction"). As a result of the Transaction, each issued and outstanding share of common stock, par value $0.01 per share, of the Company will be converted into the right to receive $37.50 in cash and cancelled (other than (A) shares held by the Company in treasury, (B) any shares held, directly or indirectly by Nassau Re Holdco LP or Merger Sub and (C) any shares to be cancelled and any dissenting shares). As a result of the Transaction, the Company as the surviving corporation will become a

Plan Of Operations For
The Phoenix Companies, Inc.

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After the Transaction is completed, Nassau intends to operate the Company as a going concern in a manner similar to how the Company has operated in the past. The Company will be Nassau's U.S. life and annuity platform, will remain headquartered in Hartford, CT with a office in East Greenbush, NY, and Nassau expects to retain a material portion of the Company's current workforce. Nassau's immediate objectives are to stabilize the Company's balance sheet by funding significant new capital into the Company in the amount of $100 million (the "Capital Contribution") to support its subsidiaries, implementing a series of actions to right-size expenses, and to focus business initiatives and resources on restoring profitability. Over time, Nassau expects that its actions will stabilize and improve the Company's financial condition and its financial strength ratings, both of which will serve to support longer term goals, including sales and growth plans.

The PNX CT Entities are currently authorized to conduct a life and annuity business in 48 states. The PNX CT entities have been engaged in the sale of insurance products since 1981. PLIC demutualized in 2001, at which time the Company began writing most of its new business out of the PNX CT Entities. The PNX CT Entities were subsidiaries of PLIC until the third quarter of 2015 at which time they were de-stacked. Upon completion of the transaction, the PNX CT Entities will continue to operate as wholly-owned subsidiaries of the Company and subject to the principal regulatory jurisdiction of the Connecticut Insurance Department (the "Department").

The PNX CT Entities, in partnership with the Company's distribution subsidiary, Saybrus Partners, Inc. ("Saybrus"), distribute their products through selected independent producers and independent marketing organizations. Saybrus also provides consulting services to partner firms in support of policies written by companies other than the Company. Prior to the closing of the Transaction, Nassau expects that the Company will transfer ownership of Saybrus to an affiliate of Nassau to further support Nassau's and Saybrus' long term growth plans, as a separate Nassau subsidiary.

The Company's policyholder base includes both high-net-worth and middle market consumers, with more recent business concentrated in the middle market. Nassau believes that PHLVIC provides an attractive opportunity for growth in the middle market, which presents attractive demographics in an underserved market. Most of the Company's life insurance in force is permanent life insurance (whole life, universal life and variable universal life) insuring one or more lives. The Company's annuity products include fixed and variable annuities with a variety of death benefit and guaranteed living benefit options. As of December 31, 2014, the Company had $95.8 billion of gross life insurance in force and $5.7 billion of annuity funds under management.

2. Office Locations and Employees

As previously noted, following the proposed Transaction the Company's headquarters will remain at One American Row in Hartford, CT. We expect that the existing business and corporate functions of the Company will continue to be conducted at such location for the foreseeable future. Likewise, we expect that the Company will continue to operate the majority of its administrative functions from its office in East Greenbush, NY. Saybrus will continue to operate a nationwide distribution business and distribute the Company's products.

As of October 31, 2015, the Company (including Saybrus) had approximately 632 employees located across Connecticut, New York and other states, of which 364 are located in Connecticut. Nassau plans to retain a material portion of the Company's workforce in Connecticut. We note that as Nassau continues to analyze the potential for rationalizing per policy costs and expenses, including by outsourcing certain functions of the Company, the Company's headcount will decline and certain employees of the Company may be transferred to third-party administrators. As previously discussed with the Department, Nassau will agree to minimum job levels in Connecticut as set forth below:

Year	**Guaranteed Minimum Job Levels (as a % of Current Employees)**
2016	60%
2017	55%
2018	50%
2019	50%

We have begun an extensive evaluation in conjunction with the Company's current senior management of the Company's workforce. This evaluation is an extension of work independently begun by the Company over the course of 2015. We expect to begin implementing our employee strategy shortly after closing through the three years after closing.

3. Senior Management Team

Nassau continues to evaluate the business and senior management team of the Company and plans to determine the appropriate composition of the team prior to the closing of the Transaction. Following the closing of the Transaction, executives of Nassau will assume management of the Company. Nassau is actively evaluating existing senior management, and, as part of that evaluation, expects to retain key existing members of the Company's senior management team, both through the transition and longer term for the turnaround and growth of the Company. It is also anticipated that some members of existing senior management will leave as a result of Nassau's ongoing evaluation of the business.

Departing members of the Company's current senior management team will receive change in control packages in the event that their employment is terminated following the completion of the Transaction. Change in control severance payments as disclosed in the Company's proxy statement are set forth below:

Executive Officer	**Payment ($)**
Named Executive Officers	
James D. Wehr	7,273,525
President and Chief Executive Officer	
Bonnie J. Malley	2,531,619
Executive Vice President and Chief Financial Officer	
Edward W. Cassidy	3,891,741
Executive Vice President, Distribution	
Peter A. Hofmann(1)	0
Former Executive Vice President, Strategy & Business Development	
Christopher M. Wilkos	2,531,619
Executive Vice President and Chief Investment Officer	
Other Executive Officers	7,970,370
Total	**24,198,874**

(1) Mr. Hofmann, who was one of the Company's named executive officers for 2015, resigned effective July 15, 2015. He is not entitled to any cash severance, acceleration of equity, pension benefits or perquisites in connection with the Transaction.

Please see the Company's Proxy Statement on Schedule 14A filed with the U.S. Securities and Exchange Commission ("S.E.C.") on October 30, 2015 attached hereto as Exhibit A for additional details. While the maximum amount payable under change in control plans as indicated above is approximately $24.2 million, the anticipated actual costs are expected to be materially lower.

4. Sales & Product Strategy.

Nassau is currently evaluating the existing product lines and individual products being marketed and sold by the Company's subsidiaries to assess the risk and return of such products, as well as the capital consumed by the sale of such products. A critical part of the Company's overall sales strategy will be tied to improvements in our financial strength ratings, which will allow us to compete more effectively.

Post-closing, Nassau intends to slow down and/or discontinue products that either do not achieve acceptable levels of return or result in unacceptable levels of capital consumption or risk. Nassau's business plan contemplates that the Company will target annual sales of fixed annuities at $500 million in 2016. We anticipate continuing to sell life products. However, this will be driven predominately by our financial strength ratings and acceptable levels of capital consumption. As we achieve our goals with respect to improved financial strength and credit ratings, we expect to reevaluate our product offerings and sales levels for both annuity and life products.

5. Expenses.

The effective budgeting and management of the Company's expenses is a key component in our business strategy. Nassau plans to implement significant expense reductions over the next five years as reflected in our projections across various initiatives.

Nassau's executive team will work with the Company's senior management team prior to and after closing of the Transaction to develop a plan and budget with input from all operational divisions within the Company, including anticipated product sales, recurring and non-recurring expenses, and anticipated capital needs. Nassau expects to reduce costs while simultaneously improving the Company's infrastructure and upgrading and consolidating its systems.

Take Private: As a private company, the Company will no longer incur the significant recurring costs associated with being an S.E.C. registrant and making periodic public filings required for its common stock and publicly traded bonds. In addition, we believe that the Company's audit costs will be substantially reduced from recent years. We believe the privatization of the Company will not only materially reduce expenses, but also help accelerate the overall turnaround of the Company. The privatization will allow the Company to effectively implement change and the right longer term strategic decisions for the Company, without being subject to the quarter-to-quarter shorter term pressure of being a public company.

Remediation of Control Deficiencies: By taking the Company private, we will lower restatement risk and reduce non-recurring expenses tied to remediation. As a private company, we will work to address and eliminate control deficiencies over a 12 to 18 month period, while at the same time investing in and improving the Company's overall systems and reducing enterprise risk. To date, the Company has spent in excess of $200 million on restatement and remediation costs. We expect to spend up to $20 million to remediate remaining control deficiencies. Upon completion of the remediation, we expect our audit costs as a private company to be reduced significantly from approximately $20 million per year currently to more typical audit fees.

Litigation Costs: Over the past several years, the Company has spent a substantial amount of time and expense addressing a wide range of litigation matters. The Company has settled a substantial amount of the past litigation, including resolving certain matters relating to cost of insurance increases. Nassau will continue to work with the Company's legal teams to manage the Company's litigation and seek potential settlements of litigation where feasible. In the event that the Company is unable to settle any outstanding litigation expeditiously, Nassau will bring to bear substantial new resources to support the Company in advancing and defending these matters.

Business Model: Nassau expects to transition the Company from a high fixed-cost operating model, where a majority of functions are performed in-house, to a more efficient variable-cost operating model, pursuant to which the Company can partner with select vendors for outsourcing of certain business functions. We believe that through a variable-cost business model, the Company can realize significant benefits and operating cost reductions, while at the same time providing for best-in-class service. As further discussed below in Section 8, Nassau believes there is opportunity to simplify and modernize the Company's systems in a manner that will save significant costs, enhance overall quality and service to policyholders and reduce enterprise risk. For example, the Company currently outsources portions of its back office administrative functions. Nassau expects to evaluate options for increasing the scope of such back office administration in the second half of 2016. Depending on the results of Nassau's evaluation and analysis, Nassau may be in position to increase administration outsourcing in 2017. As another example, Nassau will evaluate entering into investment management agreements with best-in-class portfolio managers (including third party managers and affiliates) to supplement the Company's in house investment team in managing the Company's investment portfolios. Nassau expects to enter into such type of agreements in 2016-2017, and beyond. Other areas where the Company currently outsources portions of certain business functions include Actuarial, Distribution, Finance, Legal and Tax. Nassau will evaluate the potential for increasing the scope of such outsourced functions in the years ahead.

6. Capital Management; RBC

Each of the Company's insurance subsidiaries reports its risk based capital ("RBC") based on a formula calculated by applying factors to various risk characteristics of such entities. The major categories of risks involved are asset risk, insurance risk, interest rate risk, market risk and business risk. The Authorized Control Level ("ACL") RBC ratio of PHLVIC from 2012 to 2015 is as follows:[1]

2012	2013	2014	2015
691%	562%	436%	400%

As previously discussed with the Department, Nassau's business plan contemplates operating PHLVIC at a minimum ACL RBC Ratio of 400% for five years following the closing of the Transaction. However, we intend to target higher levels of RBC over the longer term. This will be achieved by tying assessments of new business profitability to higher target RBC levels as well as improving the quality of the Company's balance sheet. We believe that this will help support improvements in financial strength ratings, and ultimately longer term goals. If at the end of any calendar quarter any time during the five years following the closing of the Transaction the ACL RBC of PHLVIC falls below 400%, the Company shall, before the statutory financial statement due date of such quarter-end, (i) contribute additional capital to PHLVIC in the form of cash or other assets acceptable to the Department, in such aggregate amount as shall cause the projected ACL RBC Ratio of PHLVIC, immediately upon receipt of such contribution, to equal the aforementioned 400% minimum ACL RBC Ratio, or (ii) adopt a plan to take such other measures as may be mutually agreed to by the Company and the Department to increase PHLVIC's ACL RBC Ratio to the aforementioned 400% minimum capital threshold. Any use of such contributed capital for non-insurance operations or any removal of such capital from the Company shall not occur without the prior written approval of the Department and the New York State Department of Financial Services. In addition, Nassau has agreed that the Capital Contribution to be made by Nassau to the Company will be used solely to support the insurance operations of PLIC and PHLVIC and/or for the maintenance of the respective capital levels of PLIC and PHLVIC.

7. Investment Management

[1] We have not included the RBC ratios of PLAC and APLAR given the small size and distinctive nature of such entities and their significant overcapitalization in excess of 3000% and 4000% RBC, respectively. In the future, Nassau will evaluate the possibility of PHLVIC entering into transactions with such entities.

Asset Management Philosophy: Effective investment management is an integral part of Nassau's business plan, as net investment income is a significant component of the Company's total revenues and, like any insurance company, the investment of assets is a key component of risk for the Company. The Company currently manages public bond investments through an investment management arrangement with Conning in conjunction with day-to-day oversight and direction set by the Company's investment team. Private debt and equity investments are managed exclusively by the Company's investment team.

Nassau believes that partnering with best in class asset managers provides access to attractive asset classes and investment opportunities while also helping to effectively manage risk of the portfolio. We anticipate that the Company will continue to use best in class asset managers, including external managers.

Composition of Portfolio: The Company currently invests primarily in high-grade public and privately placed debt securities, balancing credit risk with investment yield. As of December 31, 2014, 93.3% of the Company's total available-for-sale debt securities portfolio was investment grade. The Company also invests a small percentage of its assets in limited partnerships and other private equity investments that have variable returns. Although the split of investment grade and below investment grade assets depends on market conditions, over the long term we do not anticipate a significant change in the Company's asset split.

Hedging: Certain features of the Company's variable and indexed annuity products expose the Company to risks such as equity price risk, equity volatility risk and interest rate risk. Nassau intends to continue the Company's practices in hedging certain of those risks using derivatives, while potentially utilizing Milliman's hedging expertise to supplement the Company's current efforts.

8. Miscellaneous

Financial Reporting: The Company employs a large and experienced financial reporting staff. Nassau expects to implement changes to the Company's current financial reporting practices as a result of the Transaction to reflect the more limited financial reporting obligations of the Company, such as the discontinuance of public filing obligations, following the transition to a private company. No changes in the Company's current statutory reporting practices are contemplated as a result of the Transaction.

As described above, the Company will be in a position to reduce recurring costs associated with being a public company and with the financial reporting covenants under its bonds. Notwithstanding the reduced public company obligations, Nassau will continue to maintain financial reporting staff with expertise in compliance with generally accepted accounting principles ("GAAP"). We believe that continuing to maintain such GAAP expertise and continuity may be valuable in the future if the Company seeks to access the capital markets. It is also necessary for the Company to meet its registered product requirements.

The Company's financial reports are audited by an independent auditing firm (currently KPMG, LLP). Nassau does not expect to make any changes with respect to the Company's independent auditing firm.

Policy Administration: Currently, administrative services are provided by the Company's Customer Care Center in Greenbush, NY, which services policies on a number of administrative systems, supporting both policyholders and their advisors or agents. Administrative services for some policies are outsourced to vendors who specialize in insurance policy administration.

The current administrative services structure at the Company is complex, higher in operating risk than peer companies, and expensive due to the relatively large number of significantly older technologies and systems performing duplicative or similar functions. Nassau intends to simplify the provision of administrative services through a model that implements an appropriately balanced number of consolidated and outsourced systems and processes for large blocks of similar products that are no longer sold, while investing in modern technologies and capabilities to reach new customers and distribution channels for growth products and services. Nassau expects to leverage its relationships with key vendors of scale in the U.S. insurance third party administration market to reduce the operating risks and the expenses associated with the Company's complexity, while increasing flexibility and efficiency.

Shared Services: Following the closing of the Transaction, Nassau expects that the Company will enter into a Shared Services Agreement with Nassau Reinsurance LLC, a wholly owned subsidiary of Nassau Re Holdco LP, for the provision of a number of services between Nassau and the Company, including executive management, legal, accounting, IT, financial reporting, HR and investment management services. Nassau Reinsurance LLC currently performs such services for all entities in the Nassau group and is the employer of all Nassau group personnel. Nassau plans to file all appropriate filings with the Department, including any Form D Notice of a Transaction, for prior approval by the Department of any applicable affiliated transactions with the PNX CT Entities.

Enterprise Risk Management: Nassau and the Company place a high priority on risk management and risk control. As part of its effort to ensure measured risk taking, the Company currently has an enterprise-wide risk management program. The Chief Risk Officer of the Company reports to the Chief Executive Officer of the Company and monitors its risk management activities. The Chief Risk Officer provides regular reports to the Company's board of directors without the presence of other members of the Company's business and management team.

The risk management governance structure consists of several management committees to oversee and address issues pertaining to all of the Company's major risk areas—operational, market and product—as well as capital management. In all cases, these management committees include one or more of the following members of the Company's management team: Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, General Counsel and Chief Risk Officer. Nassau expects to maintain and continuously monitor the Company's enterprise-wide risk management program and risk management governance structure.

Ceded Reinsurance: The PNX CT Entities have reinsurance agreements in force with a number of admitted third-party reinsurers. Generally, no changes to these reinsurance agreements are contemplated as a result of the Transaction. Nassau will continue to evaluate the Company's reinsurance agreements but at this time has no specific intentions to amend such agreements at this time.

In addition to the foregoing, in connection with the Transaction, the Applicants are seeking the Department's approval of a reinsurance transaction in which PHLVIC is expected to enter into a modified coinsurance agreement with Nassau Re (Cayman) Ltd., a Cayman Islands exempted company and a wholly owned subsidiary of Nassau Holdings, L.P. ("Nassau Cayman") (such agreement, the "Modco Agreement"), pursuant to which PHLVIC will cede a quota share of 50% of its risks under certain fixed indexed annuities in force prior to or as of April 1, 2016 or issued following April 1, 2016 to Nassau Cayman on a modified coinsurance basis.

Books & Records: The Company continues to maintain a statutorily-required office in Connecticut. Nassau shall continue to maintain the books and records of the PNX CT Entities in Connecticut.

9. Financial Projections.

Pro forma financial projections for the Company for the next five years are attached hereto as Exhibit B.

Exhibit A

Proxy Statement of The Phoenix Companies, Inc. on Schedule 14A filed with the U.S. Securities and Exchange Commission on October 30, 2015

[See attached.]

<u>Exhibit B</u>

Five-Year Pro Forma Financial Projections of the PNX CT Entities

[See attached.]

PHL Variable Insurance Company
Actuarial Projections

General - A five-year projection of statutory income and balance sheet information for PHL Variable Insurance Company ("PHLVIC") as a whole has been provided.

Our long term plan is to operate the business at no less than 200% Company Action Level RBC and build it up over time.

Shareholder dividends – Subject to prior approval for two years following the closing date, contributions/dividends are assumed to be payable on an annual basis in 2016 and later, and are equal to the greater of 10% of prior year surplus excluding common stock or the prior year after-tax gain from operation, if unassigned surplus is positive.

Capital and surplus – The projections show that PHLVIC will remain well-capitalized based on RBC ratios. In the first few years under this projection, although new capital is not required to achieve our RBC minimums, we intend to fund new capital to further improve the RBC levels well above the minimums. We intend to fund that required capital, in the form of contributed capital from PNX HoldCo.

New sales – Fixed Indexed Annuity new business sales of $500 million in 2016-2020 are assumed in the projections.

Reinsurance –Existing reinsurance, including the recent GEO modified coinsurance transaction effective June 30, 2015, that was inforce as of the closing date is assumed to stay in force for the life of the projections. For modeling purposes, the GEO reinsurance transaction was projected on a coinsurance basis but formatted to closely resemble a modified coinsurance basis. A new Fixed Index Annuity 50% quota share modified coinsurance reinsurance deal (i.e., 50% inforce and new business) is reflected in the projections. This new reinsurance transaction is anticipated to be effective April 1, 2016.

Projection assumptions

1. Premiums – Projections were based on aggregate inventories of inforce policies supplied by PHLVIC. No individual premium rates were used in the projections. Premiums vary by issue age, gender, underwriting class, and amount band.
2. Interest rates – Earned rates reflect PHLVIC's repositioning of the existing asset portfolio at the end of 2016 and a new money strategy that utilizes the treasury forward curve consistent with the investment strategy of PHLVIC thereafter. Overall investment income rates on policy liabilities were approximately 4.2% in the first full year after the closing date, increasing to 5.3% in the last year of the projection. The estimated investment income rate on surplus was 4.0%. Credited rates are based on targeted spreads, subject to guaranteed minimums.
3. Mortality – Assumptions for life insurance are based on the historic experience of PHLVIC. Mortality assumptions for annuities reflect recent industry experience.
4. Lapse and partial withdrawal – Assumptions were based on PHLVIC's experience and recent industry experience.
5. Expenses – 2015 expenses are based on the current expenses of PHLVIC. The projections assume inforce maintenance expenses are $30 per policy for term and other traditional life, $20 per policy for paid-up life, $50 per policy for universal life, $50 per policy for fixed annuities, and $75 per policy for variable universal life and variable annuities. New sales of fixed index annuities assume maintenance expenses are $75 per policy and acquisition expenses are $300 per policy. Provision is also made for field, overhead and pension expenses along with premium and other taxes, licenses and fees

6. Equity returns – Variable accounts are assumed to earn 7% per year prior to the application of maintenance and expense charges.
7. Basis of reserves – Statutory reserves are calculated consistent with PHLVIC's past practices. Life insurance reserves use CRVM and net level methods, while annuities use CARVM. Cash Flow Testing ("CFT") reserves are set equal to the December 31, 2015 amount of $112.5 million. For purposes of this five year projection, the CFT reserves are held level in all projection years while maintaining minimum RBC levels. In practice we anticipate the CFT reserves will run down over time mainly due to future profits from new sales and rising interest rates.
8. Taxes – Federal income tax is assumed to be 35% of taxable income. Premium taxes and municipal taxes are assumed to be 2.0% of life direct premium.

Milliman

289 Edgewater Drive
Wakefield, MA 01880
USA

Tel +1 781 213 6200
Fax +1 781 213 6202

www.milliman.com

I, Kenneth E. Joyce, am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries and meet the Academy's qualifications to render this statement.

The projections underlying the PHL Variable Insurance Company ("PHLVIC") Plan of Operations/Form A filing were developed under my guidance and reviewed by me.

In developing the projection, generally accepted actuarial principles were followed.

Kenneth E. Joyce, F.S.A.
Principal & Consulting Actuary
Milliman, Inc.
201 Edgewater Drive
Suite 289
Wakefield, MA 01880

April 5, 2016
[Date]

PHL Variable Insurance Company

Pro Forma Statutory Balance Sheet

(In Millions)

Admitted Assets	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
-------------------							
1. Bonds	1,825.4	1,693.3	1,627.9	1,582.9	1,507.4	1,413.3	1,310.3
2. Stock	22.6	27.1	27.1	27.1	27.1	27.1	27.1
3. Real Estate/Mortgage Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Affiliated Investments							
5. Affiliated Receivables	0.9	0.0	0.0	0.0	0.0	0.0	0.0
6. Cash/Cash Equivalents	183.0	100.4	100.4	100.4	100.4	100.4	100.4
7. Separate Account Assets	4,275.8	4,276.0	4,612.2	4,678.5	4,752.5	4,826.1	4,886.1
8. All Other Assets	226.2	301.0	301.0	301.0	301.0	301.0	301.0
9. Total Assets(1+2+3+4+5+6+7+8)	6,533.9	6,397.8	6,668.6	6,690.0	6,688.4	6,667.9	6,624.9
Liabilities							
-------------------							
10. Losses (Unpaid Claims for Life & Health Policies)	39.5	48.4	48.4	48.4	48.4	48.4	48.4
11. Reserve for Life Policies	1,961.0	1,799.9	1,782.8	1,714.0	1,624.1	1,524.4	1,416.2
12. Reserve for Accident and Health Policies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Ceded Reinsurance Payable	32.7	30.7	30.7	30.7	30.7	30.7	30.7
14. Payable to Parents, Subsidiaries & Affiliates	3.1	11.3	11.3	11.3	11.3	11.3	11.3
15. All Other Liabilities	8.1	22.3	0.0	0.0	0.0	0.0	0.0
16. Asset Valuation Reserve(AVR)	15.1	14.8	14.8	14.8	14.8	14.8	14.8
17. Separate Account Liabilities	4,275.8	4,276.0	4,612.2	4,678.5	4,752.5	4,826.1	4,886.1
18. Total Liabilities(10+11+12+13+14+15+16+17)	6,335.3	6,203.3	6,500.2	6,497.7	6,481.7	6,455.7	6,407.5
18a. ModCo Reserves Included Above		1,510.9	1,634.1	1,753.3	1,860.3	1,958.5	2,042.1
Capital and Surplus							
-------------------							
19. Capital Stock	2.5	2.5	2.5	2.5	2.5	2.5	2.5
20. Gross Paid In and Contributed Surplus	841.9	875.0	875.0	906.6	920.0	920.0	920.0
21. Surplus Notes	30.0	30.0	30.0	30.0	30.0	30.0	30.0
22. Unassigned Surplus	(675.8)	(713.0)	(739.0)	(746.8)	(745.8)	(740.2)	(735.0)
23. Other Items(elaborate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24. Total Capital and Surplus(19+20+21+22+23)	198.6	194.5	168.5	192.3	206.7	212.3	217.5
25. Authorized Control Level Risk-Based Capital	49.1	52.3	38.8	38.8	39.2	39.5	39.6
26. AVR + 50% of Dividend Liability (including Subs)	15.1	14.8	14.8	14.8	14.8	14.8	14.8
27. Calculated Risk-Based Capital ((24 + 26)/25)	435.6%	400.1%	472.7%	533.3%	564.5%	574.7%	587.1%
28. Capital & Surplus / General Account Liabilities	9.6%	10.1%	8.9%	10.6%	12.0%	13.0%	14.3%

PHL Variable Insurance Company

Pro Forma Statutory Profit & Loss Statement

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
1. Net Premiums (All Business)	935.1	1,756.0	500.2	446.3	419.5	411.8	402.3
2. Net Investment Income	77.7	76.3	73.5	87.1	86.5	84.1	79.3
2a. Interest Paid on Surplus Notes	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
3. Reinsurance Ceding Commissions	8.5	4.0	0.0	0.0	0.0	0.0	0.0
4. Separate Account Fees	175.0	49.1	28.5	24.0	20.6	17.8	15.5
4a. Miscellaneous Income			14.9	14.6	15.2	16.1	17.2
5. Total (1+2+3+4+4a)	1,193.1	1,882.4	613.9	568.9	538.6	526.6	511.1
6. Death Benefits	115.0	201.1	200.8	219.6	240.1	261.0	281.4
7. Matured Endowments	0.0	0.0					
8. Annuity Benefits	84.8	94.9	99.6	91.9	83.2	76.2	70.3
9. Accident and Health Policy Benefits	0.1	0.1					
10. Surrender Benefits and Other Fund Withdrawals	570.5	544.0	459.6	422.2	400.0	390.7	385.8
11. Option and Hedge Cost			13.0	12.0	11.0	10.0	9.2
12. Interest on Policy and Contract Funds	4.1	6.1					
13. Commissions on Premiums and Annuity Considerations - Direct Business	96.6	110.3	41.3	39.6	38.3	37.5	36.9
14. Commissions and Expense Allowances on Reinsurance Assumed	0.3	162.4					
15. Increase in Aggregate Resaves	154.8	(149.8)	(60.0)	(117.6)	(144.8)	(161.0)	(176.2)
16. Net Transfer (to) or from Separate Accounts Net of Reinsurance	104.4	907.6	(209.0)	(172.6)	(157.3)	(153.3)	(151.4)
17. Other Expenses	79.1	142.0	97.0	82.9	66.5	57.9	49.3
18. Total Expenses (sum 6-17)	1,209.7	2,018.8	642.3	578.0	537.0	519.0	505.2
19. Net Gain (Loss) from Operations Before Dividends and Federal Income Taxes(5-18)	(16.6)	(136.4)	(28.4)	(9.1)	1.6	7.6	5.9
20. Federal Income Taxes	20.8	(124.6)	(4.3)	(1.4)	0.6	2.0	0.7
21. Net Realized Capital Gains (Losses)	(6.0)	(3.0)	20.9	(0.2)	(0.2)	(0.2)	(0.2)
22. Less Capital Gains Tax	(2.4)	(0.9)	20.9	(0.2)	(0.2)	(0.2)	(0.2)
23. Net Income((19-20)+(21-22))	(41.1)	(14.0)	(24.1)	(7.7)	1.0	5.6	5.2
24. Prior YE Surplus	222.9	198.6	194.5	168.5	192.3	206.7	212.3
25. Net Income	(41.1)	(14.0)	(24.1)	(7.7)	1.0	5.6	5.2
26. Capital Increases	15.0	33.1	0.0	31.6	13.4	0.0	0.0
27. Other Increases (Decreases)	1.8	(23.2)	(2.0)	0.0	0.0	0.0	0.0
28a. Ordinary Dividends to Support Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28b. Ordinary Dividends to Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29. YE Surplus	198.6	194.5	168.5	192.3	206.7	212.3	217.5

FOOTNOTE:

	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
1. Mod-co Reserve Adjustment	(82.2)	(57.9)	(35.0)	(16.4)	2.1
2. Interest on Surplus included in investment income	7.8	6.7	7.7	8.3	8.5

PHL Variable Insurance Company

Pro Forma Statutory Cash Flow Statement

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
Cash From Operations							
1. Premiums Collected Net of Reinsurance	936.6	924.2	500.2	446.3	419.5	411.8	402.3
2. Benefits Paid	749.6	835.5	760.0	733.8	723.3	727.8	737.4
3. Underwriting Expenses Paid	180.9	398.2	138.3	122.5	104.8	95.4	86.2
4. Total Cash From Underwriting(1-2-3)	6.1	(309.5)	(398.0)	(409.9)	(408.6)	(411.5)	(421.3)
5. Net Investment Income	68.5	69.1	73.5	87.1	86.5	84.1	79.3
6. Other Income	83.7	9.5	28.5	24.0	20.6	17.8	15.5
7. Dividends to Policyholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Federal and Foreign Income Taxes (Paid) Recovered	28.4	40.1	16.5	(1.5)	0.5	1.8	0.6
9. Net Cash From Operations(4+5+6-7+8)	186.7	(190.7)	(279.5)	(300.3)	(301.1)	(307.8)	(326.0)
Cash From Investments							
10. Net Cash from Investments	(260.1)	115.3	191.1	223.8	212.1	213.7	223.0
Cash From Financing and Misc Sources							
11. Capital and paid in Surplus	15.0	10.0	23.1	31.6	13.4	0.0	0.0
12. Surplus Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Borrowed Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14. Ordinary Dividends to Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15. Other Cash Provided (Applied)	27.1	(17.2)	0.0	0.0	0.0	0.0	0.0
16. Net Cash from Financing and Misc Sources (11+12+13-14+15)	42.1	(7.2)	23.1	31.6	13.4	0.0	0.0
17. Net Change in Cash, Cash Equivalents and Short -Term Investments(9+10+16)	(31.3)	(82.6)	(65.4)	(44.9)	(75.5)	(94.1)	(103.0)

American Phoenix Life and Reassurance Company
Actuarial Projections

General - A five-year projection of statutory income and balance sheet information for American Phoenix Life and Reassurance Company ("APLAR") as a whole has been provided.

Shareholder dividends – Subject to prior approval for two years following the closing date, dividends are assumed to be payable on an annual basis in 2016 and later, and are equal to the greater of 10% of prior year surplus excluding common stock or the prior year after-tax gain from operation, if unassigned surplus is positive.

Capital and surplus – The projections show that, even with planned dividends, APLAR will remain well-capitalized based on RBC ratios.

New sales – No new business is assumed in the projections.

Reinsurance – Existing reinsurance that was inforce as of the closing date is assumed to stay in force for the life of the projections.

Projection assumptions

1. Interest rates – Earned rates reflect a runoff of the existing asset portfolio and a new money strategy consistent with the investment strategy of APLAR thereafter.
2. Morbidity – Assumptions for group accident and health insurance are based on the historic experience of APLAR.
3. Expenses – Expenses are based on current expenses of APLAR.
4. Basis of reserves – Statutory reserves are calculated consistent with APLAR's past practices.
5. Taxes – Federal income tax is assumed to be 35% of taxable income.

Milliman

289 Edgewater Drive
Wakefield, MA 01880
USA

Tel +1 781 213 6200
Fax +1 781 213 6202

www.milliman.com

I, Kenneth E. Joyce, am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries and meet the Academy's qualifications to render this statement.

The projections underlying the American Phoenix Life and Reassurance Company ("APLAR") Plan of Operations/Form A filing were developed under my guidance and reviewed by me.

In developing the projection, generally accepted actuarial principles were followed.

April 5, 2016
[Date]

Kenneth E. Joyce, F.S.A.
Principal & Consulting Actuary
Milliman, Inc.
289 Edgewater Drive
Suite 201
Wakefield, MA 01880

American Phoenix Life and Reassurance Company

Pro Forma Statutory Balance Sheet

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
Admitted Assets							
1. Bonds	15.9	5.8	5.3	4.7	4.1	3.6	3.0
2. Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Real Estate/Mortgage Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Affiliated Investments							
5. Affiliated Receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Cash/Cash Equivalents	2.2	0.5	0.5	0.5	0.5	0.5	0.5
7. Separate Account Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. All Other Assets	0.2	0.1	0.1	0.1	0.1	0.1	0.1
9. Total Assets(1+2+3+4+5+6+7+8)	18.3	6.4	5.8	5.2	4.7	4.1	3.5
Liabilities							
10. Losses (Unpaid Claims for Life & Health Policies)	2.4	0.5	0.5	0.5	0.5	0.5	0.5
11. Reserve for Life Policies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12. Reserve for Accident and Health Policies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Ceded Reinsurance Payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14. Payable to Parents, Subsidiaries & Affiliates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15. All Other Liabilities	0.1	0.3	0.3	0.3	0.3	0.3	0.3
16. Asset Valuation Reserve(AVR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17. Separate Account Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18. Total Liabilities(10+11+12+13+14+15+16+17)	2.6	0.9	0.9	0.9	0.9	0.9	0.9
Capital and Surplus							
19. Capital Stock	5.0	2.5	2.5	2.5	2.5	2.5	2.5
20. Gross Paid In and Contributed Surplus	0.5	0.5	0.5	0.5	0.5	0.5	0.5
21. Surplus Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22. Unassigned Surplus	10.2	2.5	2.0	1.4	0.8	0.3	(0.3)
23. Other Items(elaborate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24. Total Capital and Surplus(19+20+21+22+23)	15.7	5.5	4.9	4.4	3.8	3.2	2.7
25. Authorized Control Level Risk-Based Capital	0.4	0.1	0.1	0.1	0.1	0.1	0.1
26. AVR + 50% of Dividend Liability (including Subs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27. Calculated Risk-Based Capital ((24 + 26)/25)	3588.9%	5574.7%	5001.5%	4427.1%	3852.6%	3278.2%	2703.8%

American Phoenix Life and Reassurance Company

Pro Forma Statutory Profit & Loss Statement

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
1. Net Premiums (All Business)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Net Investment Income	0.6	0.5	0.2	0.2	0.2	0.2	0.2
3. Reinsurance Ceding Commissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Miscellaneous Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4a. Dividends from subsidiaries							
5. Total (1+2+3+4+4a)	0.6	0.5	0.2	0.2	0.2	0.2	0.2
6. Death Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7. Matured Endowments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Annuity Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Accident and Health Policy Benefits	0.2	0.6	0.6	0.6	0.6	0.6	0.6
10. Surrender Benefits and Other Fund Withdrawals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Group Conversions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12. Interest on Policy and Contract Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Commissions on Premiums and Annuity Considerations - Direct Business	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14. Commissions and Expense Allowances on Reinsurance Assumed	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15. Increase in Aggregate Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16. Net Transfer (to) or from Separate Accounts Net of Reinsurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17. Other Expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1
18. Total Expenses (sum 6-17)	0.3	0.6	0.6	0.6	0.6	0.6	0.6
19. Net Gain (Loss) from Operations Before Dividends and Federal Income Taxes(5-18)	0.3	(0.1)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
20. Federal Income Taxes	0.1	0.1	0.1	0.1	0.1	0.1	0.1
21. Net Realized Capital Gains (Losses)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22. Less Capital Gains Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23. Net Income((19-20)+(21-22))	0.2	(0.2)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
24. Prior YE Surplus	15.4	15.7	5.5	4.9	4.4	3.8	3.2
25. Net Income	0.2	(0.2)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
26. Capital Increases	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27. Other Increases (Decreases)	0.1	(2.5)	0.0	0.0	0.0	0.0	0.0
28. Ordinary Dividends to Stockholders	0.0	(7.5)	0.0	0.0	0.0	0.0	0.0
29. YE Surplus	15.7	5.5	4.9	4.4	3.8	3.2	2.7

American Phoenix Life and Reassurance Company

Pro Forma Statutory Cash Flow Statement

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
Cash From Operations							
1. Premiums Collected Net of Reinsurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Benefits Paid	0.1	2.5	0.6	0.6	0.6	0.6	0.6
3. Underwriting Expenses Paid	0.1	0.1	0.1	0.1	0.1	0.1	0.1
4. Total Cash From Underwriting(1-2-3)	(0.2)	(2.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
5. Net Investment Income	0.5	0.6	0.2	0.2	0.2	0.2	0.2
6. Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7. Dividends to Policyholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Federal and Foreign Income Taxes (Paid) Recovered	(0.2)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
9. Net Cash From Operations(4+5+6-7+8)	0.2	(2.0)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Cash From Investments							
10. Net Cash from Investments	(1.4)	10.3	(0.0)	(0.0)	(0.0)	0.0	(0.0)
Cash From Financing and Misc Sources							
11. Capital and paid in Surplus	0.0	(2.5)	0.0	0.0	0.0	0.0	0.0
12. Surplus Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Borrowed Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14. Ordinary Dividends to Stockholders	0.0	7.5	0.0	0.0	0.0	0.0	0.0
15. Other Cash Provided (Applied)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0
16. Net Cash from Financing and Misc Sources (11+12+13-14+15)	(0.0)	(10.0)	0.0	0.0	0.0	0.0	0.0
17. Net Change in Cash, Cash Equivalents and Short -Term Investments(9+10+16)	(1.2)	(1.8)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)

Phoenix Life and Annuity Company
Actuarial Projections

General - A five-year projection of statutory income and balance sheet information for Phoenix Life and Annuity Company ("PLAC") as a whole has been provided.

Shareholder dividends – Subject to prior approval for two years following the closing date, dividends are assumed to be payable on an annual basis in 2016 and later, and are equal to the greater of 10% of prior year surplus excluding common stock or the prior year after-tax gain from operation, if unassigned surplus is positive.

Capital and surplus – The projections show that, even with planned dividends, PLAC will remain well-capitalized based on RBC ratios.

New sales – No new business is assumed in the projections.

Reinsurance – Existing reinsurance that was inforce as of the closing date is assumed to stay in force for the life of the projections.

Projection assumptions

1. Premiums – Projections were based on aggregate inventories of inforce policies supplied by PLAC. No individual premium rates were used in the projections. Premiums vary by issue age, gender, underwriting class, and amount band.
2. Interest rates – Earned rates reflect PLAC's repositioning of the existing asset portfolio at the end of 2016 and a new money strategy consistent with the investment strategy of PLAC thereafter. Overall investment income rates on policy liabilities were approximately 4.6% in the first full year after the closing date, increasing to 5.3% in the last year of the projection. The estimated investment income rate on surplus was 3.0%. Credited rates are based on targeted spreads, subject to guaranteed minimums.
3. Mortality – Assumptions for life insurance are based on the historic experience of PLAC.
4. Lapse and partial withdrawal – Assumptions were based on PLAC's experience and recent industry experience.
5. Expenses – Expenses are based on current expenses of PLAC. Provision was also made for overhead and field expenses along with premium and other taxes, licenses and fees.
6. Equity returns – Variable accounts are assumed to earn 7% per year prior to the application of maintenance and expense charges.
7. Basis of reserves – Statutory reserves are calculated consistent with PLAC's past practices. Life insurance reserves use CRVM and net level methods.
8. Taxes – Federal income tax is assumed to be 35% of taxable income. Premium taxes and municipal taxes are assumed to be 2.0% of life direct premium.

Milliman

289 Edgewater Drive
Wakefield, MA 01880
USA

Tel +1 781 213 6200
Fax +1 781 213 6202

www.milliman.com

I, Kenneth E. Joyce, am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries and meet the Academy's qualifications to render this statement.

The projections underlying the Phoenix Life and Annuity Company ("PLAC") Plan of Operations/Form A filing were developed under my guidance and reviewed by me.

In developing the projection, generally accepted actuarial principles were followed.

Kenneth E. Joyce, F.S.A.
Principal & Consulting Actuary
Milliman, Inc.
289 Edgewater Drive
Suite 201
Wakefield, MA 01880

April 5, 2016
[Date]

Phoenix Life and Annuity Company

Pro Forma Statutory Balance Sheet

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
Admitted Assets							
1. Bonds	28.4	24.7	23.9	23.0	22.5	21.7	20.8
2. Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Real Estate/Mortgage Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Affiliated Investments							
5. Affiliated Receivables	0.2	0.2	0.2	0.2	0.2	0.2	0.2
6. Cash/Cash Equivalents	5.2	7.0	7.0	7.0	7.0	7.0	7.0
7. Separate Account Assets	4.9	4.5	4.5	4.5	4.5	4.5	4.5
8. All Other Assets	6.7	6.2	6.2	6.2	6.2	6.2	6.2
9. Total Assets(1+2+3+4+5+6+7+8)	45.4	42.6	41.8	41.0	40.4	39.6	38.8
Liabilities							
10. Losses (Unpaid Claims for Life & Health Policies)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Reserve for Life Policies	16.0	14.3	13.3	12.3	12.2	11.4	10.3
12. Reserve for Accident and Health Policies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Ceded Reinsurance Payable	1.5	1.5	1.5	1.5	1.5	1.5	1.5
14. Payable to Parents, Subsidiaries & Affiliates	0.9	0.2	0.2	0.2	0.2	0.2	0.2
15. All Other Liabilities	0.3	0.4	0.4	0.4	0.4	0.4	0.4
16. Asset Valuation Reserve(AVR)	0.1	0.2	0.2	0.2	0.2	0.2	0.2
17. Separate Account Liabilities	4.9	4.5	4.5	4.5	4.5	4.5	4.5
18. Total Liabilities(10+11+12+13+14+15+16+17)	23.8	21.0	20.1	19.1	18.9	18.2	17.1
Capital and Surplus							
19. Capital Stock	2.5	2.5	2.5	2.5	2.5	2.5	2.5
20. Gross Paid In and Contributed Surplus	18.6	18.6	18.6	18.6	18.6	18.6	18.6
21. Surplus Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22. Unassigned Surplus	0.5	0.5	0.6	0.7	0.3	0.3	0.5
23. Other Items(elaborate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24. Total Capital and Surplus(19+20+21+22+23)	21.6	21.6	21.7	21.9	21.5	21.5	21.7
25. Authorized Control Level Risk-Based Capital	0.4	0.5	0.4	0.4	0.4	0.4	0.3
26. AVR + 50% of Dividend Liability (including Subs)	0.1	0.2	0.2	0.2	0.2	0.2	0.2
27. Calculated Risk-Based Capital ((24 + 26)/25)	4941.7%	4735.8%	5134.3%	5641.9%	5649.2%	6101.8%	6863.7%
28. Capital & Surplus / General Account Liabilities	114.3%	131.1%	139.5%	150.2%	149.1%	157.7%	172.6%

Phoenix Life and Annuity Company

Pro Forma Statutory Profit & Loss Statement

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
1. Net Premiums (All Business)	0.1	0.1	0.2	0.1	0.2	0.2	0.1
2. Net Investment Income	0.8	1.0	1.2	1.2	1.2	1.2	1.1
3. Reinsurance Ceding Commissions	0.2	0.2	0.0	0.0	0.0	0.0	0.0
4. Miscellaneous Income	0.2	0.2	0.0	0.0	0.0	0.0	0.0
4a. Dividends from subsidiaries							
5. Total (1+2+3+4+4a)	1.4	1.5	1.4	1.4	1.4	1.3	1.2
6. Death Benefits	1.1	1.8	0.5	0.5	0.6	0.7	0.7
7. Matured Endowments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Annuity Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Accident and Health Policy Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10. Surrender Benefits and Other Fund Withdrawals	0.8	0.8	0.7	0.7	0.6	0.6	0.5
11. Group Conversions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12. Interest on Policy and Contract Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Commissions on Premiums and Annuity Considerations - Direct Business	0.2	0.1	0.0	0.0	0.0	0.0	0.0
14. Commissions and Expense Allowances on Reinsurance Assumed	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15. Increase in Aggregate Reserves	(0.3)	(1.8)	(0.9)	(1.0)	(0.2)	(0.8)	(1.1)
16. Net Transfer (to) or from Separate Accounts Net of Reinsurance	(0.6)	(0.1)	0.0	0.0	0.0	0.0	0.0
17. Other Expenses	1.1	0.8	1.0	0.9	0.9	0.8	0.8
18. Total Expenses (sum 6-17)	2.3	1.7	1.3	1.1	2.0	1.3	1.0
19. Net Gain (Loss) from Operations Before Dividends and Federal Income Taxes(5-18)	(0.9)	(0.1)	0.1	0.2	(0.6)	0.0	0.3
20. Federal Income Taxes	(0.4)	(0.2)	0.0	0.1	(0.2)	0.0	0.1
21. Net Realized Capital Gains (Losses)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22. Less Capital Gains Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23. Net Income((19-20)+(21-22))	(0.5)	0.1	0.1	0.2	(0.4)	0.0	0.2
24. Prior YE Surplus	21.9	21.6	21.6	21.7	21.9	21.5	21.5
25. Net Income	(0.5)	0.1	0.1	0.2	(0.4)	0.0	0.2
26. Capital Increases	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27. Other Increases (Decreases)	0.2	(0.1)	0.0	0.0	0.0	0.0	0.0
28. Ordinary Dividends to Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29. YE Surplus	21.6	21.6	21.7	21.9	21.5	21.5	21.7

Phoenix Life and Annuity Company

Pro Forma Statutory Cash Flow Statement

(In Millions)

	Actual Dec-14	Actual Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
Cash From Operations							
1. Premiums Collected Net of Reinsurance	0.4	0.2	0.2	0.1	0.2	0.2	0.1
2. Benefits Paid	3.2	2.4	1.2	1.2	1.2	1.3	1.2
3. Underwriting Expenses Paid	1.3	1.0	1.0	0.9	0.9	0.8	0.8
4. Total Cash From Underwriting(1-2-3)	(4.1)	(3.2)	(2.0)	(2.0)	(1.9)	(1.9)	(1.9)
5. Net Investment Income	0.9	1.0	1.2	1.2	1.2	1.2	1.1
6. Other Income	1.0	0.5	0.0	0.0	0.0	0.0	0.0
7. Dividends to Policyholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Federal and Foreign Income Taxes (Paid) Recovered	0.6	(0.0)	0.0	0.1	(0.2)	0.0	0.1
9. Net Cash From Operations(4+5+6-7+8)	(1.6)	(1.7)	(0.8)	(0.7)	(1.0)	(0.8)	(0.7)
Cash From Investments							
10. Net Cash from Investments	(5.1)	4.2	(0.0)	(0.1)	0.4	(0.0)	(0.2)
Cash From Financing and Misc Sources							
11. Capital and paid in Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12. Surplus Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Borrowed Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14. Ordinary Dividends to Stockholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15. Other Cash Provided (Applied)	(0.1)	(0.7)	0.0	0.0	0.0	0.0	0.0
16. Net Cash from Financing and Misc Sources (11+12+13-14+15)	(0.1)	(0.7)	0.0	0.0	0.0	0.0	0.0
17. Net Change in Cash, Cash Equivalents and Short -Term Investments(9+10+16)	(6.7)	1.8	(0.9)	(0.8)	(0.5)	(0.8)	(0.9)